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January 30, 2004

VIA ELECTRONIC FILING

Ms. Marlene Dortch Secretary Federal Communications Commission 445 12th Street, SW, Room TWB-204 Washington, DC 20554

Re: Notice of Ex Parte Presentation

In the Matter of Petitions of US LEC Corp. and T-Mobil USA, Inc., et al, for Declaratory Ruling Regarding Intercarrier Compensation for Wireless Traffic, WCB No. 01-92 and Owest Petition for Reconsideration, 96-262;

In the Matter of AT&T's Petition for Declaratory Ruling That AT&T's Phone-to-Phone IP Telephony Services Are Exempt From Access Charges, WCB No. 02-361; Vonage Holding Company's Petition for Declaratory Ruling, WC No. 03-211; Level 3
Communications Petition for Forbearance, WC No. 03-266; Petition for Declaratory Ruling that Pulver.com.s Free World Dialup is Neither Telecommunications Nor a Telecommunications Service, WC No. 03-45; In the Matter of Developing a Unified Intercarrier Compensation Regime, WCB No. 01-92

Dear Ms. Dortch,

Yesterday I met with Christopher Libertelli, Chairman Powell's Senior Legal Adviser, to discuss issues related to the aforementioned proceedings. During the course of those discussions, I urged the FCC to clarify in the Petition for Reconsideration proceeding that CLECs can only charge the ILEC rate element for each access function they actually provide to the IXC. For example, CLECs cannot charge a blended rate that combines an end office switching rate, a tandem switching rate and transport when they are only providing end office switching and handing the traffic off to the IXC at the ILEC tandem (who is then also charging the IXC a tandem and transport rate). In addition, I also urged the Commission to deny the US LEC petition that seeks the ability for CLECs to impose additional access charges on interexchange carriers, when in fact, the CLEC provides no access service or functionality. Where a CLEC simply inserts itself between the CMRS provider and the ILEC tandem, it provides no genuine access function and should not be permitted to charge the interexchange carrier access. In the situation where a CLEC actually replaces the ILEC in providing the tandem

switching or other genuine access functions, the CLEC should only be permitted to charge the ILEC rate for the access functions that are actually being performed by the CLEC, not the full CLEC benchmark rate as requested by US LEC.

During vesterday's discussion, I also explained in detail AT&T's policy reasons why the Commission should act swiftly in the area of intercarrier compensation to reform that system and thus resolve many of the regulatory issues related to VOIP generally. I explained that the Commission's failure to act in a timely manner in that proceeding (which has been pending nearly three years) was placing undue pressure on the Commission to act in a very regulatory manner towards VOIP traffic. I also explained the policy reasons why the Commission needs to provide continue to provide incentives to backbone providers to continue the process of upgrading and investing to expand their IP capabilities so that there will be a seamless conversion to an IP-based infrastructure over time necessary to handle the increase in services being deployed over the IP infrastructure. I urged the Commission to continue its de-regulatory position and not apply an access charge regime to that traffic. I advised that if the Commission were to act in such a regulatory manner, it would disincent investment by backbone providers in IP architectures and thus slow investment in this key technology area (contrary to policies enacted by the Commission in previous Orders). Finally, I explained that providers of IP based services were, in fact, compensating all LECs for terminating that traffic pursuant to the interconnection provisions of the Act. Consequently, all LECs were recovering their respective costs plus a reasonable profit for terminating that traffic and that any claim that a carrier was not recovering its costs was an outright fabrication.

The positions expressed in the meeting for each of these areas were consistent with those contained in the Comments, Reply Comments and ex parte filings previously made in the aforementioned dockets. One electronic copy of this Notice is being submitted for each of the referenced proceedings in accordance with the Commission's rules.

Sincerely,

Robert W. Zuinn J.

Christopher Libertelli

cc: